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Delaware Digest

Labor Market Monthly

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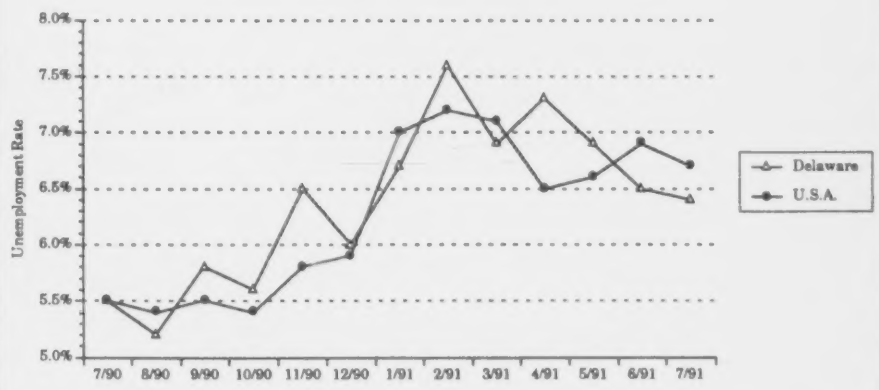
Delaware Department of Labor
Office of Occupational & Labor Market Information

Delaware's Unemployment Rate Continues Downward Movement

Delaware's unemployment rate dropped to 6.4% in July, 1991 from 6.5% in June, 1991 due to a modest decline in the number of jobless people. The rate in July, 1990 was lower at 5.5%. The number of jobless Delawareans in July, 1991 was 23,500 compared to 24,100 in June, 1991. From July, 1990 to July, 1991, Delaware's labor force, which includes individuals over the age of 16 who are working or actively seeking work, rose from 366,500 to 368,000.

Total nonagricultural employment fell by 3,300 over the month to 346,700 jobs. Over-the-month job losses were in government, services, transportation and public utilities. Over-the-month job gains were in contract construction, due to modest gains in general building and special trades.

Unemployment Rate-Delaware and U.S.A.
July 1990-July 1991



For information about the unemployment rate, occupational projections, women in the workforce, the Delaware Occupational Information System (OIS), or any other Labor Market Information, contact the Office of Occupational and Labor Market Information at (302) 368-6960.

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Labor Force Trends

Delaware's unemployment rate dropped slightly to 6.4% in July 1991 from 6.5% the previous month, due to a modest decline in the number of unemployed people. The rate in July, 1990 was lower at 5.5%. Delaware's July 1990 unemployment statistics were impacted by the layoff of 4,100 auto workers due to a model changeover at the State's two auto assembly plants. This year, model changeover occurred primarily in August and will affect that month's jobless rate. The number of jobless Delawareans in July, 1991 was 23,500 compared to 24,100 in June, 1991.

Nationally, the unemployment rate was 6.7% in July, 1991, the second month in a row that Delaware's rate was lower than the U.S. figure. For the first seven months of this year, Delaware's unemployment rate averaged 6.9%, equalling the U.S. figure. In August, Delaware's rate may be higher due to the auto industry layoffs, but should track closely to the national rate during the latter part of 1991.

From July, 1990 to July, 1991, the State's labor force rose slightly from 366,500 to 368,000. The labor force includes people, over the age of 16, who are working or actively seeking work. The estimate of employed Delaware residents is down over the year from 346,300 to 344,600.

All areas and counties in Delaware are experiencing higher unemployment rates compared to a year ago. The area with the highest unemployment in July, 1991 was the city of Wilmington with a rate of 9.1%. Kent County had the highest county rate at 8.1%. Sussex County had the lowest rate at 5.7% as a result of seasonal activity in agriculture, food processing, and the summer resort season.

Recent national economic news does not bode well for the local economy. According to the U.S. Department of Commerce, the economy continued to decline in the second quarter as the Gross National Product declined by 0.1% (revised from a previous estimate of a 0.4% gain). In July, new and existing home sales declined, while personal income fell by 0.1% after five consecutive monthly increases.

Delaware's Civilian Labor Force

	July 1991	June 1991	July 1990
Civilian Labor Force	368,042	368,487	366,474
Employment	344,555	344,393	346,348
Unemployment	23,487	24,094	20,126
Unemployment Rate	6.4	6.5	5.5
National Unemployment Rate	6.7	6.9	5.5

At the local level, July initial unemployment claims (non-auto related) were up 41% over the month and 50% higher than in July, 1990. These statistics are broadbased across many industries and indicate a continued general weakness in a labor market which shows virtually no positive signs.

During the remainder of 1991, the job market will continue to be affected by downsizing and restructuring. For this reason, as well as the ones previous mentioned, the unemployment rate will remain relatively high for several months to come.

Local Area Unemployment Statistics

July, 1991 - Preliminary

Labor Area and Subareas	Labor Force	Employed	Unemployed	Unemployment Rate
1. Statewide	368,042	344,555	23,487	6.4
2. Wilmington, PMSA	316,141	295,709	20,432	6.5
3. New Castle County	246,004	230,720	15,284	6.2
4. Balance of NCC (1)	211,661	199,494	12,167	5.7
5. Wilmington City	34,343	31,226	3,117	9.1
6. Newark City	14,066	12,883	1,183	8.4
7. Kent County	52,447	48,214	4,233	8.1
8. Sussex County	69,589	65,620	3,969	5.7
9. United States (000's) (Non-Seasonal)	127,327	118,751	8,576	6.7
10. United States (000's) (Seasonal)	125,214	116,712	8,501	6.8

June, 1991 - Final

Labor Area and Subareas	Labor Force	Employed	Unemployed	Unemployment Rate
1. Statewide	368,487	344,393	24,094	6.5
2. Wilmington, PMSA	316,535	295,242	21,293	6.7
3. New Castle County	247,395	231,416	15,979	6.5
4. Balance of NCC (1)	212,867	200,096	12,771	6.0
5. Wilmington City	34,528	31,320	3,208	9.3
6. Newark City	14,184	12,922	1,262	8.9
7. Kent County	52,846	48,271	4,575	8.7
8. Sussex County	68,246	64,706	3,540	5.2
9. United States(000's)(Non-Seasonal)	127,054	118,280	8,774	6.9
10. United States (000's) (Seasonal)	125,629	116,884	8,745	7.0

(1) Balance of NCC equals New Castle County minus Wilmington City

NOTE: Due to rounding, totals may not add and data may not match similar statistics published in various other state or National releases.

Industry Trends

Between June and July of this year, Delaware's nonagricultural employment fell by 3,300 to 346,700 jobs. The loss was due mostly to seasonal employment decreases attributed to the end of the school year.

Job losses were in **government** (seasonal decreases for state and local education); **services** (amusement and recreational services; and private education); and **transportation and public utilities** (local and interurban transportation). The only significant over-the-month job gains were in **contract construction**, due to modest gains in general building and special trades.

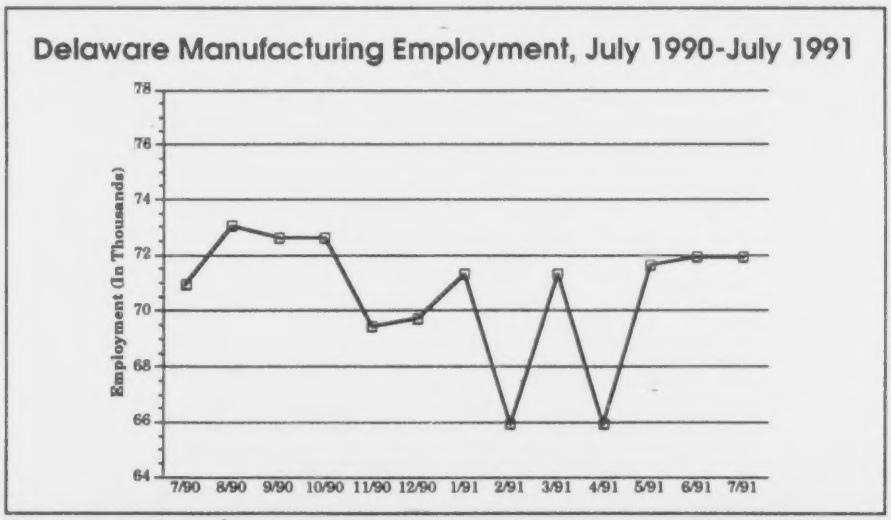
As in most prior years, there is usually a significant seasonal over-the-month job loss from June to July. During the past eight years, the June-to-July loss has averaged 2,500 jobs. A weak economy has inflated the June-July job loss for 1991 to 3,300 jobs. Industries that would normally grow over the summer months such as retail, finance, and business services lack significant growth this year.

Since July, 1990, total nonagricultural employment has declined by 0.7% or 2,500 jobs. In July of last year, both auto plants were closed due to the annual model changeover, while in July of this year both plants were operating. If the plants had been open in July of 1990, the employment decline from July 1990 to July 1991 would have been much greater.

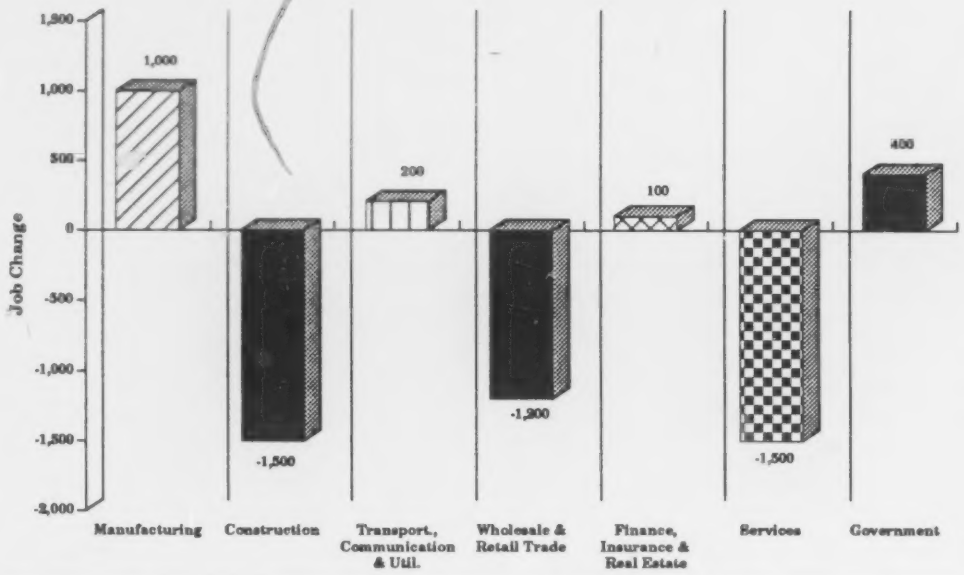
Job losses since July of last year have been in **contract construction** (general building; and special trades); **services** (business services; and engineering and management services); **wholesale and retail trade** (building materials; general merchandise stores; auto dealers; and eating and drinking places). Over-the-year employment gains have been in **government** (state education); and **manufacturing** (employment in auto plants was lower in July, 1990 due to retooling).

Delaware experienced a loss of 3,800 jobs, a decline of 1.1%, during the first seven months of this year, compared to the same period a year ago. Nationally, the decline in jobs during the first seven months was 0.9%. The region consisting of Maryland, Pennsylvania, New York, and New Jersey was down by 1.4%.

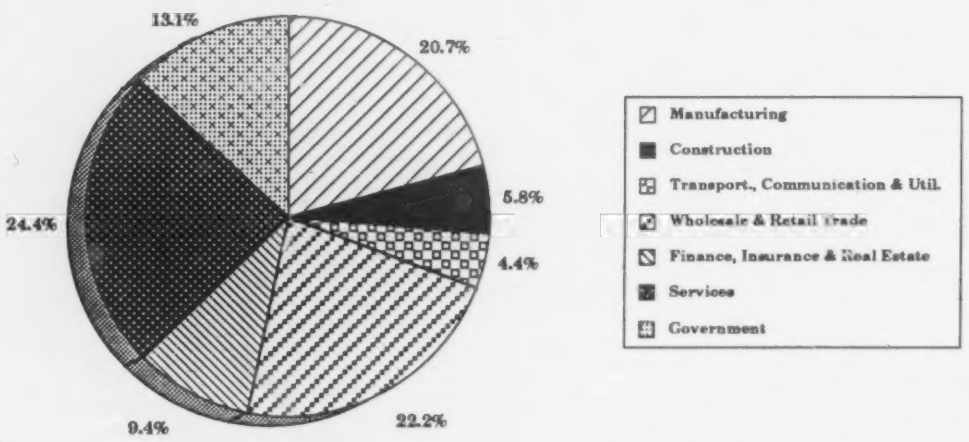
In future months, model changeovers in the auto industry will cause temporary layoffs, which will further reduce the number of jobs. For the balance of the year, any major turnaround for Delaware's key industries, such as finance, business services, chemicals, and contract construction, does not seem likely. It seems certain that 1991 will show the first net loss in non-farm jobs since the severe recession of 1975.



Net Job Change by Sector, Delaware, July 1990 -July 1991



Percent of Total Employment by Sector, Delaware, July 1991



Delaware Nonagricultural Employment by Selected Industry

INDUSTRY GROUP	Jul 91	Jun 91	Jul 90	Net Change to July 1991 from: Jun 91	Jul 90
TOTAL NONAG. EMPLOYMENT	346.7	350.0	349.2	-3.3	-2.5
GOODS PRODUCING	92.0	91.8	92.5	0.2	-0.5
MINING	0.1	0.1	0.1	0.0	0.0
CONTRACT CONSTRUCTION	20.0	19.8	21.5	0.2	-1.5
General Building Contractors	4.8	4.7	5.4	0.1	-0.6
Heavy Construction Contractors	4.2	4.2	3.7	0.0	0.5
Special Trade Contractors	11.0	10.9	12.4	0.1	-1.4
MANUFACTURING	71.9	71.9	70.9	0.0	1.0
Durable Goods	18.5	18.6	16.0	-0.1	2.5
Primary & Fabricated Metals	3.0	3.1	3.3	-0.1	-0.3
Machinery & Electrical Equipment	1.8	1.9	1.9	-0.1	-0.1
Transportation Equipment	8.0	8.0	4.9	0.0	3.1
Instruments & Related Products	3.0	3.0	3.1	0.0	-0.1
Other Durable Goods	2.7	2.6	2.8	0.1	-0.1
Nondurable Goods	53.4	53.3	54.9	0.1	-1.5
Food & Kindred Products	9.3	9.3	9.4	0.0	-0.1
Textile, Apparel, Leather	1.5	1.6	1.6	-0.1	-0.1
Paper, Printing, Publishing	5.1	5.2	5.3	-0.1	-0.2
Chemicals	33.7	33.4	34.6	0.3	-0.9
Petroleum, Coal, Plastics	3.8	3.8	4.0	0.0	-0.2
SERVICE PRODUCING	254.7	258.2	256.7	-3.5	-2.0
TRANSPORTATION & PUBLIC UTILITIES	15.2	15.6	15.0	-0.4	0.2
Transportation	9.9	10.3	9.8	-0.4	0.1
Railroad Transportation	1.4	1.4	1.4	0.0	0.0
Local & Interurban Passenger Trans.	1.3	1.7	1.3	-0.4	0.0
Trucking & Warehousing	5.0	5.0	4.9	0.0	0.1
Other Transportation	2.2	2.2	2.2	0.0	0.0
Communications & Utilities	5.3	5.3	5.2	0.0	0.1
Communications	2.2	2.2	2.2	0.0	0.0
Electrical, Gas & Sanitary Services	3.1	3.1	3.0	0.0	0.1
WHOLESALE & RETAIL TRADE	77.1	77.1	78.3	0.0	-1.2
Wholesale Trade	13.5	13.5	13.6	0.0	-0.1
Wholesale-Durable	7.7	7.7	7.7	0.0	0.0
Wholesale-Nondurable	5.8	5.8	5.9	0.0	-0.1
Retail Trade	63.6	63.6	64.7	0.0	-1.1
Building Material & Garden Supplies	2.8	2.8	3.0	0.0	-0.2
General Merchandise Stores	8.3	8.5	8.7	-0.2	-0.4
Food Stores	9.7	9.6	9.8	0.1	-0.1
Auto Dealers & Service Stations	6.6	6.6	6.8	0.0	-0.2
Apparel & Accessory Stores	3.7	3.6	3.6	0.1	0.1
Furniture & Home Furnishings	2.5	2.5	2.6	0.0	-0.1
Eating & Drinking Places	21.3	21.4	21.6	-0.1	-0.3
Miscellaneous Retail	8.7	8.6	8.6	0.1	0.1

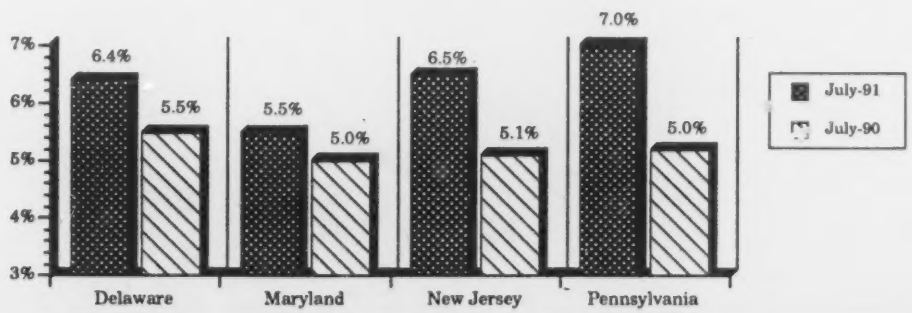
Cont'd

Delaware Nonagricultural Employment by Selected Industry

INDUSTRY GROUP	Jul 91	Jun 91	Jul 90	Net Change to July 1991 from: Jun 91	Jul 90
FINANCE, INSURANCE & REAL ESTATE	32.5	32.6	32.4	-0.1	0.1
Finance	23.4	23.5	23.0	-0.1	0.4
Depository Institutions	20.4	20.5	20.0	-0.1	0.4
Other Finance	3.0	3.0	3.0	0.0	0.0
Insurance	5.7	5.7	5.7	0.0	0.0
Real Estate	3.4	3.4	3.7	0.0	-0.3
SERVICES	84.6	85.9	86.1	-1.3	-1.5
Hotels & Other Lodging Places	3.2	3.3	3.4	-0.1	-0.2
Personal Services	3.0	3.0	3.0	0.0	0.0
Business Services	20.4	20.5	21.1	-0.1	-0.7
Automobile & Miscellaneous Repair	3.6	3.7	3.8	-0.1	-0.2
Amusement & Recreation Services	4.1	4.5	3.9	-0.4	0.2
Health Services	22.8	22.7	22.6	0.1	0.2
Hospitals	11.6	11.5	11.3	0.1	0.3
Other Health Services	11.2	11.2	11.3	0.0	-0.1
Legal Services	2.8	2.9	3.0	-0.1	-0.2
Educational Services	3.5	4.0	3.3	-0.5	0.2
Social Services	6.9	6.9	6.8	0.0	0.1
Engineering & Management Services	5.3	5.3	5.8	0.0	-0.5
Membership Organizations	5.5	5.6	5.7	-0.1	-0.2
Other Services	3.5	3.5	3.7	0.0	-0.2
GOVERNMENT	45.3	47.0	44.9	-1.7	0.4
Federal Government	6.0	6.0	6.7	0.0	-0.7
State & Local Government	39.3	41.0	38.2	-1.7	1.1
State Government	22.5	22.9	21.7	-0.4	0.8
State Education	7.7	8.7	6.9	-1.0	0.8
State Non-Education	14.8	14.2	14.8	0.6	0.0
Local Government	16.8	18.1	16.5	-1.3	0.3
Local Education	11.2	13.5	11.0	-2.3	0.2
Local Non-Education	5.6	4.6	5.5	1.0	0.1
Persons Involved In Work Stoppages	0.0	0.0	0.0	0.0	0.0

Current Data Preliminary; Previous Month Revised

Regional Unemployment Rates



Hours and Earnings of Production Workers in Manufacturing Industries

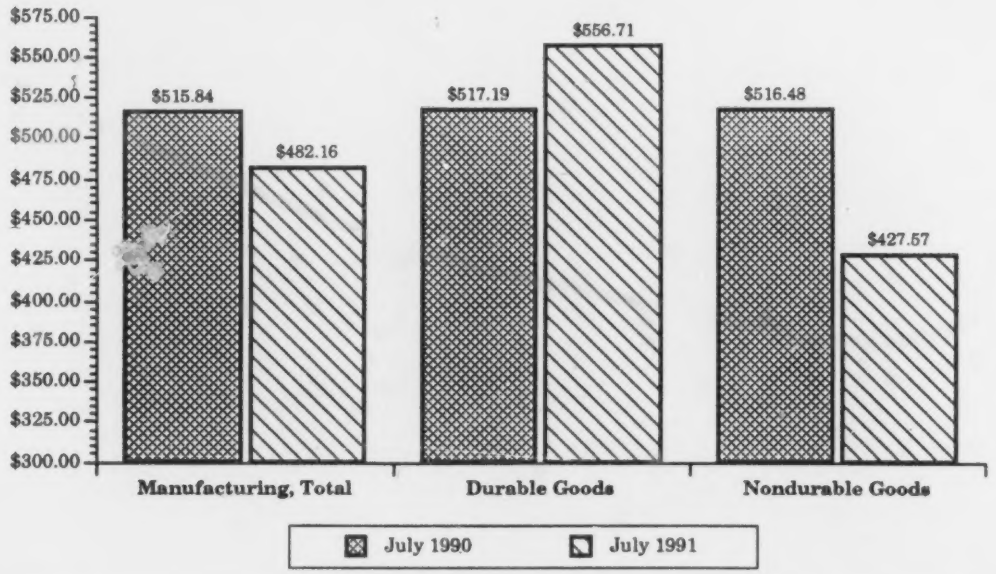
Delaware*

	Weekly Earnings			Weekly Hours			Hourly Earnings		
	Jul-91	Jun-91	Jul-90	Jul-91	Jun-91	Jul-90	Jul-91	Jun-91	Jul-90
MANUFACTURING	$ 482.16	$ 519.99	$ 515.84	39.2	41.8	41.4	$12.30	$ 12.44	$ 12.46
DURABLE GOODS	556.71	633.03	517.19	38.5	42.4	39.3	14.46	14.93	13.16
Primary & Fabricated Metals	452.35	487.34	396.55	38.4	41.3	38.5	11.78	11.80	10.30
Machinery & Electrical Equipment	604.83	570.37	494.62	46.1	44.7	39.1	13.12	12.76	12.65
Transportation Equipment	661.56	792.82	711.42	37.0	43.3	39.9	17.88	18.31	17.83
Instruments & Related	392.22	395.24	369.47	41.2	41.3	39.6	9.52	9.57	9.33
Other Durable Goods	360.96	378.74	351.40	38.4	39.7	38.7	9.40	9.54	9.08
NONDURABLE GOODS	427.57	436.95	516.48	39.7	41.3	42.3	10.77	10.58	12.21
Food & Kindred Products	317.19	322.49	355.32	39.5	42.1	42.1	8.03	7.66	8.44
Textile, Apparel, Leather	296.94	362.30	369.82	29.4	40.3	41.6	10.10	8.99	8.89
Paper, Printing, and Publishing	434.50	431.26	441.98	39.5	38.3	38.4	11.00	11.26	11.51
Chemicals	632.88	649.18	633.89	41.5	42.1	42.6	15.25	15.42	14.88
Petroleum, Coal, Plastics	445.77	445.36	498.96	41.7	41.7	46.2	10.69	10.68	10.80

*Covers an estimated 32,900 Production Workers

Current Data Preliminary; previous month revised

Delaware Average Weekly Earnings for Manufacturing Production Workers



The Department of Labor Serving You Better...

Office of Occupational and Labor Market Information

Like many Eastern Seaboard states, Delaware's labor market lost momentum in 1990, with higher unemployment and minimal job growth, a new Delaware Department of Labor study indicates.

Delaware Labor Market 1990: The Year in Brief outlines 1990 job growth and decline in Delaware as well as unemployment figures, average weekly wages, per capita and total personal income figures, and unemployment insurance claims data. "The recession has taken its toll on the Mid-Atlantic Region," said James K. McFadden, Chief, Office of Occupational and Labor Market Information, Delaware Department of Labor. "In 1990, Delaware saw minimal growth of 1,900 jobs, compared to 9,200 in 1989."

Of the 1,900 jobs created in 1990, the most significant gains were found in Services (business, health, engineering and management services), Finance Insurance and Real Estate (banking), and Wholesale and Retail Trade (eating and drinking places). These gains were offset by losses in Construction (new home and commercial construction), Manufacturing (slow auto sales forced periodic shutdowns of the State's two auto assembly plants), and Government.

Other 1990 highlights:

- Delaware's unemployment rate in 1990 was 5.1%, compared to 3.5% in 1989. Nationally, Delaware's jobless rate ranked 19th lowest in 1990, compared to third lowest in 1989. Regionally, Delaware ranked third lowest in 1990, compared to having the lowest rate in 1989.
- Services remained Delaware's #1 employer. This sector, which includes business and health services, made up 24.5% of Delaware's total job picture, compared to 23.9% in 1989.
- The average weekly wage of $470.26 equates to an annual salary of more than $24,400, a 5.1% increase over 1989 figures.
- In 1990, Kent County had the highest unemployment rate in Delaware at 6.2%, while Sussex County had the lowest at 4.9%. New Castle County, which contains two-thirds of the State's labor force, had a rate of 5.1%.
- The average length of unemployment insurance claims increased to 12 weeks in 1990 from 10 weeks in 1989. The average claimant received $155.00 per week.

"As companies continue to streamline their operations and eliminate jobs, the employment situation in Delaware and surrounding states will continue to be weak for the foreseeable future," said McFadden. "Our goal now is to assist job seekers in their search, as well as encourage development of the types of skills necessary to compete for available openings."

For a copy of ***Delaware Labor Market 1990: The Year in Brief***, please call the Delaware Department of Labor's Office of Occupational and Labor Market Information at (302) 368-6960.

Trends in the Health Service Industry

The next time you look through the newspaper, browse through the want ads. In addition to noticing that jobs arent't plentiful, you'll see that of the jobs available, a good majority of them are in the health services field. A wide range of opportunities are available from nursing, to physical therapy, to management positions.

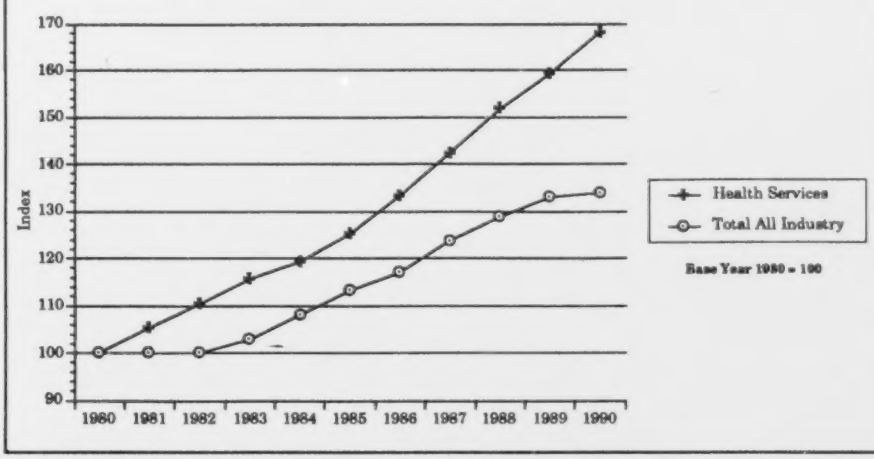
Health services was one of the fastest growing industries in Delaware during the economic boom of the 1980s, growing twice as fast as all industries combined. From 1980 to 1990, all-industry employment grew by about 87,000 jobs or 34%. Health services accounted for 9,200 jobs, as employment increased from 13,500 to 22,700, a 67% increase. In 1990, health services' total payroll in Delaware was $590 million.

The average annual wage in health services in 1990 was $26,045 compared to $24,453 for total all-industry. Since 1980, wages in health services have increased by 87%, much faster than the total all-industry increase of 60%.

Delaware Health Service Employment by Sector, 1980 and 1990

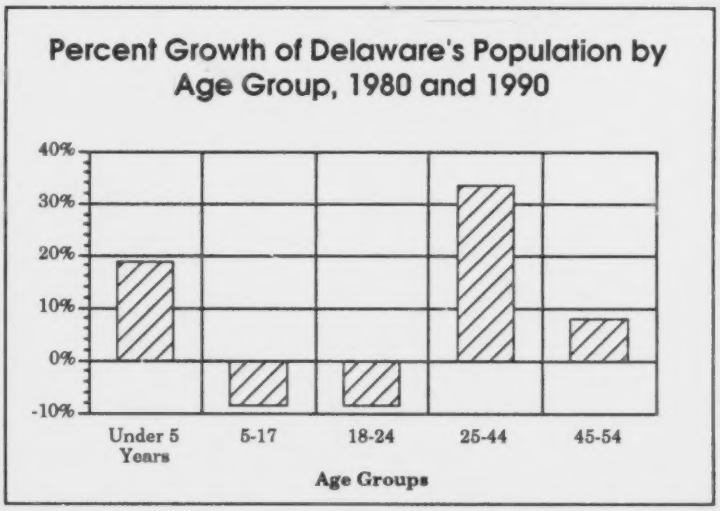
	1980	1990	Change 1980-1990 Net	Change 1980-1990 Percent
Offices of Doctors of Medicine	1,809	3,565	1,756	97.1
Offices of Dentists	978	1,374	396	40.5
Offices of Doctors of Osteopathy	70	163	93	132.9
Other Health Practitioners	197	788	591	300.0
Nursing and Personal Care Facilities	1,638	3,472	1,834	112.0
Hospitals	8,025	11,325	3,300	41.1
Medical and Dental Laboratories	421	460	39	9.3
Home Health Care Services	246	1,086	840	341.5
Other Health and Allied Services	166	422	256	154.2
	13,550	22,655	9,105	67.2

Growth of Delaware's Health Services Sector, 1990



During the current recession, the health services sector has been somewhat resistant to the economic downturn. In fact, growth in health services has been a stabilizing factor in an otherwise bleak economy. Although growth has slowed, employment has not declined as in many other sectors. Health services employment in July, 1991 has increased slightly by about 200 jobs from the same month last year. This performance is much better than that of the services sector as a whole, which is down 1,500 jobs during the same period.

Within the health services sector, hospitals is the largest category, comprising 50% of total jobs. The next largest components are offices of doctors as well as nursing and personal care facilities, with 1990 employment levels of 3,565 and 3,472, respectively. But, the fastest-growing component is home health care services with employment growth of 341% since 1980.



The Delaware Department of Labor projects above-average employment growth in health services to the year 2000. Why? An aging population, plus the ability of medical technology to prolong a person's life well into his or her eighties and beyond, creates a critical need for geriatric health services, such as home- and hospital-based nursing care. This, in turn, creates a need for individuals to provide these services.

In general, allied health technologies are becoming more complex and require additional training, therefore opening up new specialty areas and job opportunities.

Consider these statistics: from 1980 to 1990, the age group aged 65 and over was the fastest growing age segment in Delaware, increasing 36%. Delaware's 80+ population is projected to increase by 80% by the year 2010.

Delaware's population requires a new focus on health care--both in preventive care by the promotion of healthy lifestyles and by the provision of appropriate and available medical services for all of our citizens.

Unemployment Insurance Statistics

	July 1991	June 1991	July 1990	% Change From Prior Month	% Change From Year Ago
Initial Claims-Total *	10,182	3,356	6,162	203%	65%
Auto Makers	5,450	0	2,998	****	82%
Non-Auto	4,732	3,356	3,164	41%	50%
Weeks Claimed **	45,312	25,084	22,910	81%	98%
Auto Makers	10,283	0	5,882	****	75%
Non-Auto	35,029	25,084	17,028	40%	106%
First Payments #	1,892	1,272	1,807	49%	5%
Final Payments ##	620	386	213	61%	191%
Weeks Compensated @	34,112	23,317	20,763	46%	64%
Amount Compensated	5,944,230	3,889,433	3,446,732	53%	72%
Average Weekly Check Amount	$174	$167	$166	4%	5%

* **Initial Claims** include New Initial Claims and Additional Initial Claims. A New Initial Claim is filed when a person becomes unemployed and files for unemployment insurance for the very first time in a benefit year. Additional Initial Claims are filed when someone has already filed a New Initial Claim due to unemployment, returned to work for at least a week, and then become unemployed again.

** **Weeks Claimed** account for the total number of weeks claimed for unemployment insurance within a given month.

\# **First Payments** are New Initial Claims that receive unemployment compensation checks.

\## **Final Payments** occur when a claimant receives the last check in his or her benefit cycle (not to exceed one year).

@ **Weeks Compensated** account for the number of Weeks Claimed that were paid during the month.

Initial claims in July rose to over 10,000 for only the second time since January 1983, as the state's auto plants shut down for model changeovers. Coupled with the auto layoffs was a 41% increase in non-auto claims. This represents nearly 5,000 non-auto claims for July spread across several industry sectors. As non-auto initial claims historically have tended to remain relatively constant from June to July, this is a strong indication of a continued general weakness in Delaware's labor market.

Another negative sign is the 61% increase in final unemployment insurance payments. Six hundred and twenty workers exhausted their benefits in July, the highest number since the early 1980s. Nationally, 318,000 out-of-work Americans exhausted their benefits in July, the highest level in at least 40 years. When Congress reconvenes this month, lawmakers hope to push through a bill that provides extended benefits to exhaustees. To date, President Bush has already signed a bill extending benefits, but offered no way to fund it, thereby effectively killing the measure.

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